



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR PRODUCTIVITY OF FOURTH QUARTER 2020

Malaysia's labour productivity as measured by value added per hour worked dropped slightly by 0.8 per cent after recorded 0.1 per cent in Q3 2020. In this quarter, Malaysia's economy posted a negative growth of 3.4 per cent (Q3 2020: -2.6%) while hours worked remained at negative 2.7 per cent. Meanwhile, **labour productivity expressed in terms of value added per employment remained in a declining trend for the fourth consecutive quarter, posting negative 2.9 per cent** (Q3 2020: -2.2%) as employment reduced 0.6 per cent (Q3 2020: -0.4%). **Value added per hour worked was RM 42 per hour in this quarter** (Q3 2020: RM41 per hour) while **value added per employment was RM23,570 per person** (Q3 2020: RM23,257 per person). **Overall for 2020, Malaysia's labour productivity by value added per hour worked went up by 3.4 per cent** (2019: 2.2%) with a value of RM42 per hour (2019: RM41 per hour). On the contrary, **labour productivity measured as value added per employment dropped 5.4 per cent** (2019: 2.1%) with the value added per employment of RM88,899 per person (2019: RM93,973 per person).

Labour productivity by hours worked for Agriculture sector declined 0.4 per cent as compared to 0.7 per cent in Q3 2020. In terms of value added, this sector recorded a smaller negative of 0.7 per cent (Q3 2020: -0.5%) while hours worked contracted by 0.3 per cent from negative 1.1 per cent in the previous quarter. In this quarter, **labour productivity by value added per employment declined slightly 0.3 per cent in Q4 2020** as against positive growth of 0.3 per cent in Q3 2020. Meanwhile, employment posted a negative growth of 0.4 per cent (Q3 2020: -0.8%). **Value added per hour worked for this sector was RM25 per hour in Q4 2020** (Q3 2020: RM28 per hour) while **value added per employment was RM13,183 per person** (Q3 2020: RM14,862 per person). **Labour productivity by value added per hour worked increased 1.9 per cent in 2020** (2019: 0.3%) with a level of RM26 per hour (2019: RM26 per hour) while **labour productivity per employment plunged 1.8 per cent** (2019: 0.4%) with **level of RM53,235 per person** (2019: RM54,212 per person).

Mining and Quarrying sector fell 6.4 per cent of labour productivity per hour worked as against negative 4.5 from the preceding quarter. The growth of value added in this sector declined further to 10.6 per cent (Q3 2020: -6.8%) while hours worked decreased 4.5 per cent (Q3 2020: -2.4%). **Labour productivity per employment dropped 9.1 per cent** from negative 4.6 per cent while employment remained in the declining trend for the fourth consecutive quarter, posting negative 1.6 per cent in Q4 2020 (Q3 2020: -2.3%). **Labour productivity per hour worked expressed in terms of level in this sector was RM575 per hour** (Q3 2020: RM459 per hour) while **value added per employment was RM344,767 per person** (Q3 2020: RM278,833 per person). **In 2020, labour productivity per hour worked declined marginally 0.6 per cent** as compared to negative 1.7 per cent in the previous year with a level of RM545 per hour (2019: RM548 per hour) while **labour productivity per employment dropped 7.9 per cent** (2019: -1.6%) with a level of RM1,238,787 per person (2019: RM1,344,348 per person).

person).

During this quarter, **labour productivity per hour worked for Manufacturing sector registered a growth of 6.0 per cent** (Q3 2020: 7.0%). The value added of this sector grew 3.0 per cent (Q3 2020: 3.3%) while hours worked dropped 2.8 per cent (Q3 2020: -3.4%). The highest growth of labour productivity by hours worked in Manufacturing sector was recorded by Beverages & tobacco products (13.1%). This was followed by Transport equipment, other manufacturing & repair and Wood products, furniture, paper products and & printing which posted a growth of 11.9 per cent and 11.1 per cent respectively. Meanwhile, **labour productivity expressed as the ratio of value added to employment grew 3.2 per cent** (Q3 2020: 3.7%) as employment declined 0.2 per cent (Q3 2020: -0.4%). **Level of labour productivity which measured as value added per hour worked was RM56 per hour in Q4 2020** (Q3 2020: RM56 per hour) while **value added per employment was RM32,592 per person** (Q3 2020: RM32,511 per person). **The growth of labour productivity expressed as value added per hour worked increased 7.0 per cent in 2020** as compared to 2.5 per cent in 2019 with a **level of RM55 per hour** (2019: RM52 per hour). **The labour productivity measured as value added per employment recorded a negative growth of 2.6 per cent** (2019: 1.7%) with a **level of RM120,726 per person** (2019: RM123,896 per person).

Labour productivity by hours worked for Construction sector dropped 6.7 per cent in Q4 2020 (Q3 2020: -9.0%). The growth of value added in this quarter was negative 13.9 per cent (Q3 2020: -12.4%) while hours worked declined 7.7 per cent as compared to negative 3.8 per cent in previous quarter. **Labour productivity by value added per employment for this sector registered a negative growth of 8.4 per cent** (Q3 2020: -10.2%) while employment dropped 6.0 per cent in Q4 2020 (Q3 2020: -2.4%). **Value added per hour worked for this sector was RM17 per hour in Q4 2020** (Q3 2020: RM18 per hour) while **value added per employment was RM10,173 per person** (Q3 2020: RM10,583 per person). **Labour productivity as measured by value added per hour worked in 2020 dropped 5.1 per cent** (2019: 3.5%) with a **level of RM18 per hour** (2019: RM19 per hour) while **labour productivity as measured by value added per employment dropped strongly to 15.7 per cent** (2019: 3.3%) with a **level of RM38,172 per person** (2019: RM45,293 per person).

Services sector posted a slower growth of labour productivity per hour worked at negative 2.7 per cent (Q3 2020: -1.4%). The value added for this sector decreased 4.9 per cent after registering negative 4.0 per cent in the preceding quarter while hours worked declined 2.2 per cent (Q3 2020: -2.7%). Finance and insurance recorded the highest growth of labour productivity by hours worked in this sector by 8.3 per cent followed by Information & communication (6.3%) and Utilities (3.4%). **Labour productivity expressed as the ratio of value added to employment grew at a slower rate of negative 4.9 per cent** (Q3 2020: -3.9%) as employment increased 0.1 per cent (Q3 2020: -0.1%). **Value added per hour worked for this sector was RM39 per hour** (Q3 2020: RM38 per hour) while **value added per employment was RM22,304 per person** (Q3 2020: RM21,755 per person). **For the year 2020, labour productivity per hour worked in Services sector went up 3.2 per cent** (2019: 2.7%) with a **level of RM40 per hour** (2019: RM39 per hour) while **labour productivity per employment dropped 6.0 per cent** (2020: 2.9%) with a **level of RM84,172 per person** (2019: RM89,513 per person).

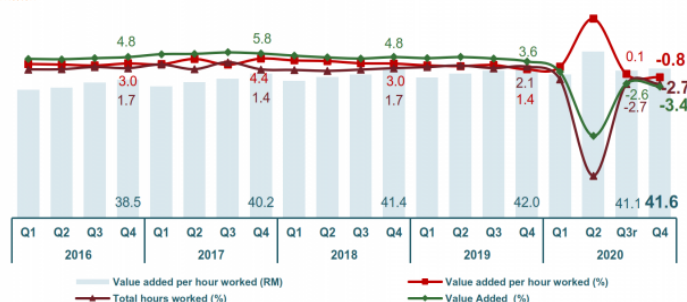


LABOUR PRODUCTIVITY OF FOURTH QUARTER 2020



LABOUR PRODUCTIVITY, VALUE ADDED PER HOUR WORKED

Malaysia's labour productivity per hour worked **decreased 0.8%** while total hours worked remain declined at -2.7%



Labour Productivity	Q4 2020: RM41.6
	Q3' 2020: RM41.1
Growth	Q4 2020: -0.8%
	Q3' 2020: 0.1%
Total Hours Worked (million hours)	Q4 2020: 8,582
	Q3' 2020: 8,550
Growth	Q4 2020: -2.7%
	Q3' 2020: -2.7%



Manufacturing sector recorded an increase of labour productivity by hours worked while other sectors showed a declining trend

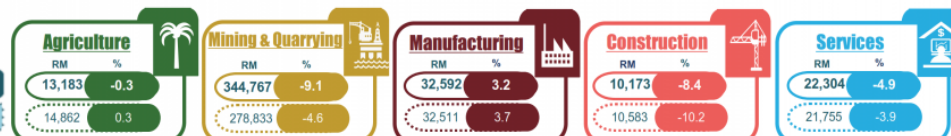


LABOUR PRODUCTIVITY, VALUE ADDED PER EMPLOYMENT

Labour productivity per employment **shrank 2.9%** while the number of employment declined 0.6%



Labour Productivity	Q4 2020: RM23,570
	Q3' 2020: RM23,257
Growth	Q4 2020: -2.9%
	Q3' 2020: -2.2%
Total Employment ('000 persons)	Q4 2020: 15,162
	Q3' 2020: 15,096
Growth	Q4 2020: -0.6%
	Q3' 2020: -0.4%



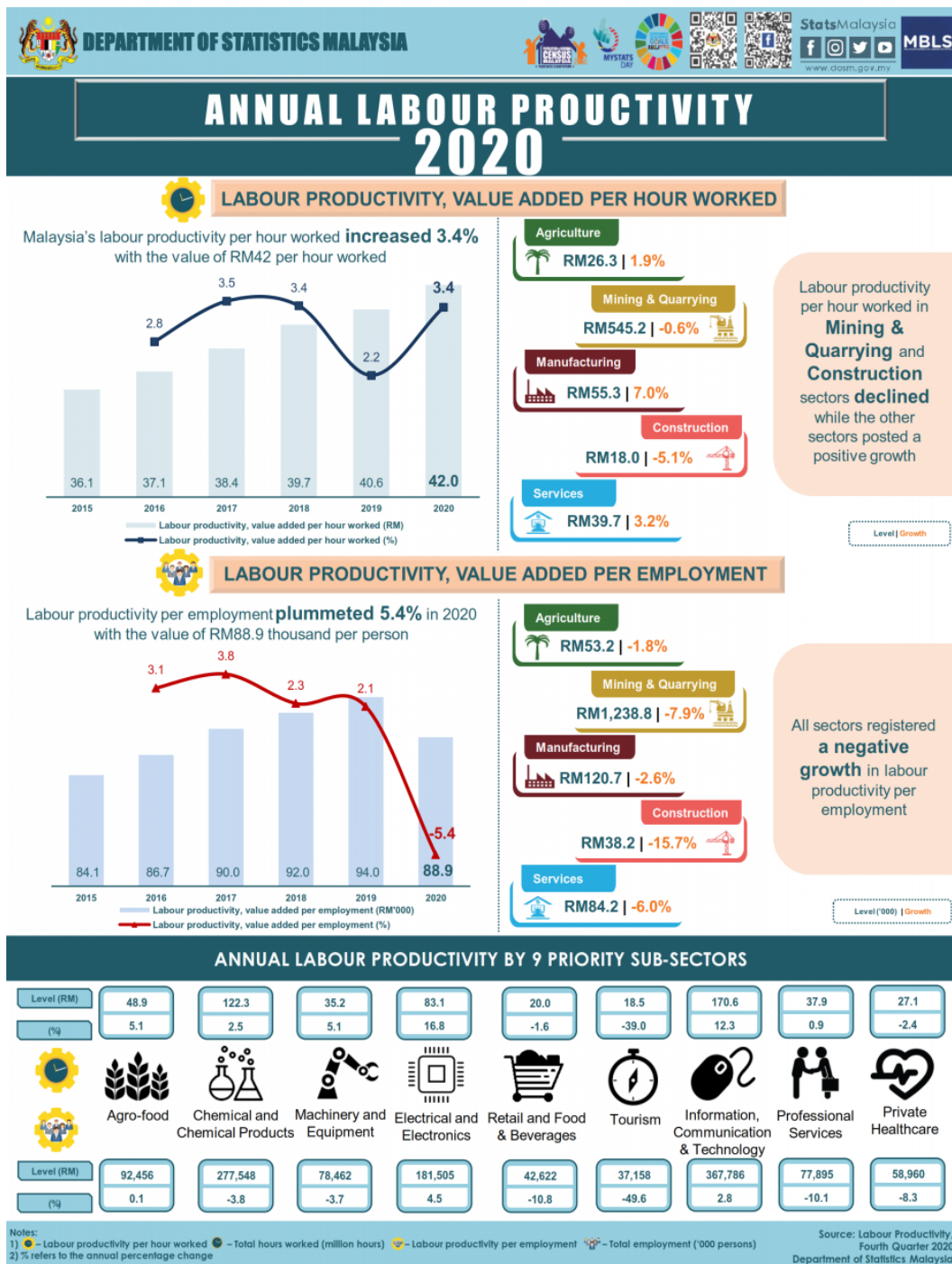
All sectors registered a decrease in labour productivity per employment except for Manufacturing sector

Notes:

1) ● - Labour productivity per hour worked ● - Total hours worked (million hours) ● - Labour productivity per employment ● - Total employment ('000 persons)

2) % refers to the annual percentage change from the same quarter of the previous year

Source: Labour Productivity, Fourth Quarter 2020
Department of Statistics Malaysia


ANNUAL LABOUR PRODUCTIVITY BY 9 PRIORITY SUB-SECTORS

Notes: 1) - Labour productivity per hour worked - Total hours worked (million hours) - Labour productivity per employment - Total employment ('000 persons)

2) % refers to the annual percentage change

Source: Labour Productivity, Fourth Quarter 2020
Department of Statistics Malaysia

The detailed information and technical notes are published in the publication of Labour Productivity Fourth Quarter 2020. This report is accessible and downloadable free of charge through the eStatistik application in DOSM web page, www.dosm.gov.my.

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